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Attorney for Debtor

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF CALIFORNIA

In re:)	Case No. 11-39335-C-11
)	
ROBERT A. COOK,)	
)	MCN: DSW-001
)	
)	DATE: No hearing required
)	
Debtor.)	
)	

DEBTOR'S PRELIMINARY STATUS REPORT

Debtor, ROBERT A. COOK, hereby submits to the Court his
Preliminary Status Report, as follows:

1. History of the Debtor:

Debtor is and has been, since 1977, a real estate
broker and developer. He has developed shopping centers,
office buildings, restaurants and hotels. His most recent
project, Le Rivage Hotel, was developed in conjunction with
Robert Leach and investors. The hotel project was appraised
in 2008 at 42,500,000.

In order to finance the building of the hotel,
Robert Leach and I had to sign several joint and several
personal guarantees, including \$25,000,000 to La Jolla Bank,

1 \$700,000 to Traynor-Marina Investors (collectively
2 "Traynors"), \$350,000 to Hearn Construction and \$650,000 to
3 U.S.A. Real Estate Investment Trust.
4

5 The loan from La Jolla Bank is secured by a first
6 deed of trust on the hotel. La Jolla Bank was subsequently
7 taken over by FDIC and the current lender is One West Bank.
8 The most recent appraisal by One West Bank, of which Debtor
9 does not have a copy but is reliably informed, is
10 approximately \$12,000,000.

11 The loan from U.S.A. Real Estate Investment Trust
12 is secured by a second deed of trust on the hotel.

13 The Traynors' investment consisted of a "Put" with
14 respect to their undivided $\frac{1}{2}$ interest in the Marina property
15 in front of the Le Rivage Hotel, under which, if Traynors
16 decided to sell their interest, Robert Leach and the Debtor
17 would be required to buy it back from them.

18 Robert Leach filed a Chapter 7 Bankruptcy in 2010.
19 When he was discharged, the liabilities on the joint
20 personal guarantees fell solely upon Debtor. Traynors filed
21 suit against Debtor on the personal guarantee of the "Put"
22 and obtained a judgment against him in the original
23 principal amount of \$700,000. Thereafter, Traynors were
24 successful in obtaining the appointment of a (state court)
25 receiver for all of Debtor's assets, which consisted of
26 interests in several limited liability companies, including
27 the Bob Cook Company; LLC, Elk Grove-Florin, LLC (the entity
28

1 in which Debtor holds his interests in Table [Le Rivage]
2 Hotel, LLC and the Captain's Table Marina, LLC; Adams
3 Limited, LLC; and limited partnership interests (held
4 through KPBC, which holds interests in Sacramento Kings, LP
5 and Arco Arena LP) the owner of the Sacramento Kings
6 Basketball team and the [former] Arco Arena.

7 The state court Receiver, Scott Sackett, conducted
8 a thorough investigation and review of the Debtor's
9 holdings, but discovered no cash or liquid assets.
10 Thereafter, Traynors instituted a proceeding to grant the
11 state court Receiver to sell all of Debtor's limited
12 liability company and partnership assets to satisfy the
13 judgment. On the eve of the hearing on the motion, Debtor
14 filed this Chapter 11 case.

15 Debtor, through various LLC's and partnerships,
16 also has interests in rental property, in a parcel of
17 undeveloped land, in the entities which own the Sacramento
18 Kings Basketball Team and the arena (formerly known as Arco
19 Arena) and in the entity which owns the Sacramento Capitals
20 (World) Tennis Team.

21 In addition to the judgment in favor of the
22 Traynors, Debtor is also a judgment debtor of other
23 creditors, including but not limited to Hearn Pacific, Inc.
24 and the Schermann Family Trust.

25 2. Type of Plan:
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1 Debtor will propose a plan of reorganization which
2 will also include the sale of some assets by means of an
3 orderly liquidation. As of the present time, the type of
4 plan will be subject to the occurrence or non-occurrence of
5 some specific events in the near future, primarily the
6 advent of a trustee's sale of the Le Rivage Hotel or a
7 possible Chapter 11 reorganization of the entity which owns
8 the hotel

9 3. Cramdown:

10 Debtor does not anticipate the necessity of a cram
11 down on any particular class of creditors as of this time.

12 4. Valuation of Assets:

13 Debtor anticipates that that there may be some
14 litigation concerning the valuation of some of his assets.

15 5. Cash Collateral and Adequate Protection:

16 Debtor does not believe that any of his creditors
17 at this time has a lien on the cash collateral of any of the
18 businesses or other assets he owns. In the event that any
19 secured creditor claims to have a lien upon cash collateral
20 and does not agree to permit Debtor to use that cash
21 collateral, Debtor will move the Court for an appropriate
22 order permitting him the use of such cash collateral.

23 6. Adversary Proceedings:

24 Debtor anticipates that there may be adversary
25 proceedings in this case, possibly including litigation
26 against Debtor's brother for fraudulent concealment or
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1 destruction of evidence concerning disposition of assets of
2 their mother's estate and litigation to determine the
3 validity, extent and enforceability of some purported liens
4 on Debtor's assets.

5 7. Environmental Issues:

6 To the best of Debtor's information, knowledge and
7 belief, there are no major environmental issues surrounding
8 the project

9 8. Objections to Claims:

10 At this time, Debtor is not aware of any claim
11 objections which may arise in this case.

12 9. Post-Confirmation Sale of Assets:

13 It is likely that some of Debtor's properties may
14 be sold after confirmation of a plan, but Debtor does not
15 anticipate that any such sales will require the involvement
16 of the Court.

17 10. Anticipated Professional Fees:

18 Debtor anticipates he will incur approximately
19 \$50,000 in legal fees to Daniel S. Weiss; contingent legal
20 fees and costs in an amount not ascertainable at this time
21 to special counsel (probably John Vodonick) in conjunction
22 with possible litigation against Debtor's brother;
23 approximately \$10,000 in appraisal fees to persons not as
24 yet determined; and approximately \$10,000 in other
25 professional fees, including accountant's fees, to persons
26 not as yet determined.
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1 11. Small Business Debtor:

2 This case is not a small business case, as defined
3 in 11 USC §§101(51C) (51D), 1102(a)(3) and 1121, because the
4 Debtor, on the date of filing of the Petition, had aggregate
5 non-contingent liquidate secured and unsecured debts of more
6 than \$2,000,000.
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9 LAW OFFICES OF DANIEL S. WEISS
10 Attorney for Debtors

11 Dated: Sept. 16, 2011 By: /s/ Daniel S. Weiss
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